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Governor Blagojevich Signs Film Tax Credit Legislation

Illinois film industry reached an all-time record of nearly \$155 million in 2007, 80 percent increase over 2006

CHICAGO – Building on his commitment to help the Illinois film industry continue to achieve record success, Gov. Rod R. Blagojevich today signed House Bill 2482, legislation that renews the Illinois Film Tax Credit. The Governor was joined at the signing by Harold Ramis, life-long Chicago actor, writer, producer and director first made famous by his role as Dr. Egon Spengler in *Ghostbusters* (1984) and *Ghostbusters II* (1989), and by up and coming producer John W. Boshers who is finishing up work on the movie “Chicago Overcoat,” which was filmed entirely in Chicago. Also joining the Governor was the star of “Chicago Overcoat” and former “Sopranos” actor, Frank Vincent.

“The Film Tax Credit put Illinois back on the film industry’s map and helped Illinois achieve record revenues of \$155 million for 2007. I am pleased to bring together two generations of local filmmakers for this event today to highlight Illinois’ deep talent pool. By renewing this tax credit, we’re holding on to our competitive position and ensuring that filmmakers will continue coming here to make their movies. I want to thank the members of the General Assembly who worked hard to pass this legislation,” said Gov. Blagojevich.

The Illinois Film Tax Credit brings revenue and jobs to the state by offering a 20 percent tax credit to filmmakers for money spent for Illinois goods and services including wages paid to Illinois residents. The bill passed convincingly in both chambers. HB 2482 was sponsored by Sen. Rickey Hendon (D-Chicago) in the Senate and Reps. Ken Dunkin (D-Chicago) and Angelo Saviano (R-River Grove) in the House.

In 2000, Illinois began suffering a mass exodus of the film industry as other states began enacting film incentives. By 2003, the Illinois film industry had fallen to an all-time low of \$23 million. In response, Gov. Blagojevich enacted the Illinois Film Tax Credit. Since its passage, the film industry has rebounded dramatically. The film industry reached an all-time record of nearly \$155 million in 2007. This represents the single best year in the state's history – and an 80 percent increase over 2006.

“The Film Tax Credit is critical to ensuring that Illinois remains a top filming location. I applaud Governor Blagojevich and the Illinois Film

Office for their work to make Illinois competitive within the film industry,” said Harold Ramis. “As a life-long Chicagoan, I love that I can film movies like *The Ice Harvest* in Illinois, bringing jobs and revenue to our great state.”

“The Film Tax Credit has helped us through many stages of the production process,” said “*Overcoat*” Producer John W. Bosher. “Some filmmakers may not realize that this legislation not only defrays on-site production and editing costs, but also gives us the ability to assuage investor concerns by providing a guaranteed 15 to 20% return on their investment. Essentially, this tax credit has made Illinois the most economically advantageous option for every aspect of our film including post-production.”

The film industry has a sizable impact on the Illinois economy and brings thousands of jobs to the state each year. In 2007, Illinois film productions made more than 26,500 hires in Illinois – a 110 percent increase over 2006. A number of films and television shows were produced in Illinois in 2007 including: “*The Dark Knight*” (Batman); “*Wanted*,” starring Angelina Jolie and Morgan Freeman; “*Fred Claus*,” with Vince Vaughn; “*Meet the Browns*,” starring Angela Bassett; “*ER*” (TV show), and “*My Boys*” (TV show).

“We had a record year in the Illinois film industry in 2007 with nearly \$155 million in profits and over 26,000 job hires. This was possible in large part because of the film tax credit, and I’m proud to have helped sponsor this bill to maintain that momentum. With over 40 states providing film incentives, it’s important that Illinois offer an incentive to remain competitive,” Sen. Hendon said.

“Incentives like the film tax credit go a long way in helping Illinois to maintain an edge and keep us competitive against other major film production areas. It’s great that we can utilize these incentives to achieve something even greater – putting more people to work and bringing in greater revenues across the state,” said Rep. Dunkin.

“Having productions film in the state not only provides an opportunity for us to showcase what Illinois has to offer, but also brings in much needed revenue and helps provide employment for thousands of people. If you compare revenues from 2007 to 2003, the year before the FTC was enacted, it is evident the tremendous impact the credit has had on the state economy. We look forward to continuing that growth in 2008,” Rep. Saviano said.

Gov. Blagojevich's Opportunity Returns regional economic development strategy is the most aggressive, comprehensive approach to creating jobs in Illinois' history. Since a one-size-fits-all approach to economic development just doesn't work, the Governor has divided the state into 10 regions – each with a regional team that is empowered and expected to rapidly respond to opportunities and challenges. Opportunity Returns is about tangible, specific actions to make each region more accessible, more marketable, more entrepreneurial and more attractive to businesses. It is about upgrading the skills of the local workforce, increasing the access to capital, opening new markets, improving infrastructure, and creating and retaining jobs. Opportunity Returns is about successfully partnering with companies and communities, both large and small, to help all of Illinois reach its economic potential.

“We are always seeking innovative ways to promote Illinois as a place to do business. And while we have had record success, we must do what's necessary to maintain Illinois' competitiveness and provide companies with the resources they need to be profitable. Being able to offer incentives like the film tax credit is critical to that effort. We are pleased that the General Assembly passed this legislation and look forward to another successful year in 2008,” DCEO Director Jack Lavin said.